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UNCLAS BUCHAREST 000839

SIPDIS

STATE FOR EUR/NCE - WSILKWORTH STATE FOR EUR/EB/TPP/MTA/MST - JALLEN STATE PLEASE PASS TO USTR USDOC FOR 4232/JBURGESS/JKIMBALL

E.O. 12958: N/A

TAGS: ETRD ECON RO WTO

SUBJECT: WTO SERVICES NEGOTIATIONS: ROMANIA WILL NOT SUBMIT

ITS OWN OFFER

REF: STATE 058384

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY

- 11. (SBU) SUMMARY: Romania does not plan to submit its own services offer in May, in view of the country's EU accession scheduled for 2007, but fully supports a good result of the WTO negotiations. Romania argues that its future commitments as a full EU member will dramatically expand after accession and Romania will then be a party to the services liberalization that the EU offers. END SUMMARY.
- 12. (U) EconOff met on April 1, with Minister Delegate for Trade Iuliu Winkler, Director General for Non-European Countries Radu Zaharia and Director for Americas Viorel Onel and, in a separate meeting, with Director General for Trade Policy Vasile Radu. EconOff urged the GOR officials to submit a Romanian initial service offer before the May deadline, pointing out the importance of Romania's active participation in the WTO process.
- ¶3. (SBU) Vasile Radu, the GOR official in charge of WTO issues, responded in detail to the demarche, stating that Romania, although not yet a EU member, is acting "de facto" as one, and has the same high ambitions as the EU and the U.S. for the liberalization of services. He further explained that the Romanian position will be subsumed under the EU's in 2007 when it becomes a full member. At the moment of accession, the current services covered by the EU list will be binding for Romania as well. Under these circumstances, the GOR does not wish to submit a separate list of offers and to enter separate negotiations outside the EU common position given it would apply for only a short period of time.
- 14. (SBU) Radu continued that, after having seen what happened with the new member states after the 2004 EU enlargement, the GOR realized that any specific commitment which happened to contravene the EU single market regulations would necessarily be withdrawn after accession. Romania is trying to avoid having to go through this process and wants to prepare an accession that is "as smooth as possible".
- 15. Expressing quietly his displeasure at Romania's designation in Reftel talking points as a "developing country," Radu observed that Romania is acting de facto as a EU member state, sharing the same philosophy, instruments, rules and actions. The GOR, he added, has no interest to present Romania as a model for developing countries, but as an OECD country.
- 16. (SBU) COMMENT: There appears little chance for the USG to convince the GOR to submit its own, independent services offer. The GOR, as an EU accession candidate country, is now looking to Brussels for guidance on WTO-related issues. Nonetheless, the embassy will continue to reiterate to the GOR that Romania should look after its best interests both before and after its 2007 EU accession. END COMMENT.

Delare